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Applicant(s): William H. Barber, et al.

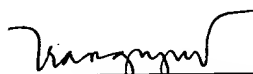
387953

Serial No.	Filing Date	Examiner	Group Art Unit
09/578,631	May 25, 2000	Richard E. Chilcot	3627

Invention DISK DISPENSING AND RETRIEVAL SYSTEM AND ASSOCIATED
METHODS

I hereby certify that the following: Transmittal Form (1 page); Notice Of Appeal From The Examiner To The Board Of Patent Appeals and Interferences (1 page in duplicate); Appeal Brief (39 pages); Fee Transmittal for FY 2005 (1 page in duplicate), authorization to charge \$500 (\$250 for the Notice of Appeal and \$250 for the Appeal Brief); authorization to charge additional fees that may be required, or credit any overpayment, to Deposit Account No. 12-0600; and return post card are being mailed in an envelope addressed to: Mail Stop: Appeal Brief-Patents, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 24th day of June, 2005.

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FEE TRANSMITTAL for FY 2005		Complete if Known	
		Application Number	09/578,631
		Filing Date	May 25, 2000
		First Named Inventor	William H. Barber
		Examiner Name	Richard E. Chilcot
<input checked="" type="checkbox"/> Applicant claims small entity status. See 37 CFR 1.27		Art Unit	3627
TOTAL AMOUNT OF PAYMENT	(\$) \$250.00	Attorney Docket No.	387953

METHOD OF PAYMENT (check all that apply)

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☒ Deposit Account Deposit Account Number: 12-0600 Deposit Account Name: LATHROP & GAGE LC

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FEE CALCULATION

1. BASIC FILING, SEARCH, AND EXAMINATION FEES

Application Type	FILING FEES		SEARCH FEES		EXAMINATION FEES		Fees Paid (\$)
	Fee (\$)	Small Entity Fee(\$)	Fee(\$)	Small Entity Fee(\$)	Fee(\$)	Small Entity Fee(\$)	
Utility	300	150	500	250	200	100	_____
Design	200	100	100	50	130	65	_____
Plant	200	100	300	150	160	80	_____
Reissue	300	150	500	250	600	300	_____
Provisional	200	100	0	0	0	0	_____

2. EXCESS CLAIM FEES

Fee Description	Small Entity Fee (\$)	Fee (\$)
Each claim over 20 (including Reissues)	50	25
Each independent claim over 30 (including Reissues)	200	100
Multiple dependent claims	360	180

Total Claims **Extra Claims** **Fee(\$)** **Fee Paid (\$)** **Multiple Dependent Claims**

_____ -20 or HP= _____ x _____ = _____ **Fee (\$)** **Fee Paid (\$)**

HP = highest number of total claims paid for, if greater than 20.

Indep. Claims **Extra Claims** **Fee(\$)** **Fee Paid (\$)**

_____ - 3 or HP= _____ x _____ = _____

HP = highest number of independent claims paid for, if greater than 3.

3. APPLICATION SIZE FEE

If the specification and drawings exceed 100 sheets of paper (excluding electronically filed sequence or computer listings under 37 CFR 1.52(e)), the application size fee due is \$250 (\$125 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).

Total Sheets	Extra Sheets	Number of each additional 50 or fraction thereof	Fee (\$)	Fee Paid (\$)
_____	_____	_____ / 50 = _____ (round up to a whole number) x _____	_____	_____

4. OTHER FEE(S)

	Fees Paid (\$)
Non-English Specification, \$130 fee (no small entity discount)	_____
Other (e.g., late filing surcharge) : Appeal Brief	\$250

SUBMITTED BY

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PATENT
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s): William H. Barber et al.

Group Art No.: 3627

Serial No.: 09/578,631

Examiner: Chilcot, Robert E.

Filed: 25 May 2000

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For: DISK DISPENSING AND
RETRIEVAL SYSTEM AND
ASSOCIATED METHODS

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APPEAL BRIEF

Dear Sir:

In accord with 37 C.F.R. §41.37, and fully responsive to the Final Action of March 30, 2005, Appellants hereby file their appeal brief in support of their Appeal in the above-identified matter (hereinafter the '631 Application). A notice of appeal is submitted herewith. As this appeal brief is filed concurrently with the notice of appeal, it is considered timely filed under 37 C.F.R. §41.37. Authorization to charge the \$500 total fee for filing the notice of appeal (\$250) and this appeal brief (\$250) is submitted herewith, as required by 37 C.F.R. §41.20(b)(2).

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(1) **Real party in interest.** The real party of interest is DVDPlay, Inc. (formerly, FreeFlyr, Inc.), a Delaware corporation, having a principal place of business at 750 University Avenue, Suite 280, Los Gatos, California, U.S.A.; the full right, title, and interests in this application and accorded to DVDPlay, Inc. are illustrated by way of fully-executed assignments executed on November 4, 2002. Evidence of this assignment, which was recorded on November 6, 2002, may be found at reel/frame 013470/0746.

(2) **Related appeals and interferences.** No other appeals or interferences are currently known to Appellants that will directly affect, be directly affected by, or have a bearing on the decision to be rendered by the Board of Patent Appeals and Interferences in the present appeal.

(3) **Status of claims.** Claims 1-83 are pending in this application, with claims 1 and 43 being independent. Claims 1-8, 18, 20-24, 26-29, 36-38, 42-53, 67-70, 70-79 and 83 stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,934,439 ("Kano"), in view of U.S. Patent No. 5,943,423 ("Muftic"). Claims 30-32, 71 and 72 stand rejected as being unpatentable, under 35 U.S.C. §103(a), over Kano in view of Muftic (as applied to claim 2), and further in view of U.S. Patent No. 5,822,291 ("Brindze"). Claims 9-12 stand rejected as being unpatentable, under 35 U.S.C. §103(a), over Kano in view of Muftic (as applied to claim 1), and further in view of U.S. Patent No. 4,915,205 ("Reid"). Claims 13, 54, 55 and 56 stand rejected as being unpatentable, under 35 U.S.C. §103(a), over Kano in view of Muftic (as applied to claim 1), and further in view of U.S. Patent No. 5,938,510 ("Takahashi"). Claims 14 and 15 stand rejected as being unpatentable, under 35 U.S.C. §103(a), over Kano in view of Muftic (as applied to claim 2), and further in view of Takahashi. Claims 25, 34, 35, 66, 75 and 76 stand rejected as being unpatentable, under 35 U.S.C. §103(a), over Kano in view of Muftic (as applied to claim 1), and further in view of U.S. Patent No. 5,724,521 ("Dedrick"). Claims 33, 39-41, 73, 74 and 80-82 stand rejected as being unpatentable, under 35 U.S.C. §103(a), over Kano in view of Muftic (as applied to claim 1), and further in view of U.S. Patent No. 5,900,608 ("Iida"). Applicants appeal all claims 1-83

(4) **Status of amendments.** The '631 Application was filed on May 25, 2000, with claims 1-83. A first office action was mailed May 8, 2002, to which a response was filed and entered November 6, 2002, including amendments to claims 24, 35, 65 and 76. A second

office action was mailed December 19, 2002, to which a response was filed and entered June 19, 2003, including amendments to claims 1, 14-16, 26, 28-30, 33, 43, 55-57, 60, 67 and 69-71. A third office action was mailed August 6, 2003, to which a response was filed and entered November 6, 2003 (without amendment to the claims). A final office action was mailed January 2, 2004, rejecting claims 1-15, 18-56 and 59-83, and objecting to claims 16, 17, 57 and 58; and then a first RCE was filed and entered April 16, 2004 (without amendment to the claims). A final office action was mailed July 22, 2004, again rejecting claims 1-15, 18-56 and 59-83, and objecting to claims 16, 17, 57 and 58; then a second RCE was filed and entered January 4, 2005, including amendments to claims 1-3, 5, 10-12, 14-16, 23-26, 28, 29, 33 and 42. A final office action was mailed March 30, 2005, again rejecting claims 1-15, 18-56 and 59-83, and objecting to claims 16, 17, 57 and 58, in response to which the notice of appeal is filed herein. Claims 1-83 are currently pending, of which claims 4, 6-9, 13, 17, 22, 27, 31, 32, 34, 36-41, 44-54, 58, 59, 61-64, 66, 68, 72-75 and 77-83 are original (without claim amendment during prosecution).

(5) Summary of claimed subject matter. The inventions of claims 1-42 relate to a system for dispensing optical storage media from a kiosk (e.g., kiosk 101, FIG. 1), remote from a system server and communicatively connected to the system server (e.g., server 103, FIG. 1). A first central processing unit ("first CPU") communicates with a second central processing unit ("second CPU") in the remote system server. First and second media readable by the first and second CPUs, respectively, store instructions for dispensing optical storage media, including electronically transmitting a receipt to a user specified address, as may be understood in the embodiments described on page 14, line 4 through page 16, line 13.

The inventions of claims 43-83 relate to a method for dispensing optical storage media from a kiosk communicatively connected to a remote system server (e.g., kiosk 101, server 103 of FIG. 1). Exemplary steps of the method are further detailed in the flow chart of FIG. 5. In particular, billing information, including a credit account, is received at and transmitted from a kiosk to a system server (p. 14, lines 5-7). The credit account is verified at the system server, authorization is transmitted to the kiosk, a receipt is transmitted to a user specified address and optical media is dispensed to a user (p. 14, lines 12-24). Reading data from the media may identify the media and/or detect errors in the media (page 15, lines 6-33 and FIG. 8).

(6) Grounds for rejection to be reviewed on appeal.

- A. Whether claims 1-8, 18, 20-24, 26-29, 36-38, 42-53, 67-70, 70-79 [sic] and 83 are patentable under 35 U.S.C. §103(a) due to Kanoh, in view of Muftic.
- B. Whether claims 30-32, 71 and 72 are patentable, under 35 U.S.C. §103(a) due to Kanoh in view of Muftic, and further in view of Brindze.
- C. Whether claims 9-12 are patentable under 35 U.S.C. §103(a) due to Kanoh in view of Muftic), and further in view of Reid.
- D. Whether claims 13, 14, 15, 54, 55 and 56 are patentable under 35 U.S.C. §103(a) due to Kanoh in view of Muftic, and further in view of Takahashi.
- E. Whether claims 25, 34, 35, 66, 75 and 76 are patentable under 35 U.S.C. §103(a) due to Kanoh in view of Muftic, and further in view of Dedrick.
- F. Whether claims 33, 39-41, 73, 74 and 80-82 are patentable under 35 U.S.C. §103(a) due to Kanoh in view of Muftic, and further in view of Iida.

(7) Argument.

Argument (A).

Kanoh in view of Muftic does not teach or suggest each and every claim limitation within claims 1-8, 18, 20-24, 26-29, 36-38, 42-53, 67-70, 70-79 [sic] and 83 as required by 35 U.S.C. §103(a). These claims do not stand or fall together.

Of note, we believe that the Examiner intended to reference claims 1-8, 18, 20-24, 26-29, 36-38, 42-53, 67-70 and **73-79**, since the final Office Action notes that Kanoh in view of Muftic does not disclose concentric markings on CDs, as recited in claims 71 and 72. Further, Appellants believe that the Examiner intended to inform that the Declaration filed January 4, 2005 is sufficient to overcome U.S. Patent No. 6,289,322 ("Kitchen"), not Muftic (as listed in the final action), since Muftic is used as grounds of rejection throughout the Final Office Action dated 3-30-2005. We thus argue patentability of all of claims 67-79 over Kanoh in view of Muftic, to ensure a complete response.

We further submit that the Examiner has introduced a new grounds of rejection that was neither necessitated by amendment of the claims, nor based on information submitted in an information disclosure statement filed in this case. In the "final" action, the Examiner cites Muftic in combination with Kanoh in an attempt to render applicant's limitation of "electronically sending a receipt to a user-specified address" (claims 1 and 43). However, this limitation has been present in claim 1 since filing of the '631 Application, and has never

been the subject of an amendment. Furthermore, Muftic was not submitted by applicant in an IDS in the '631 Application.

Accordingly, the Examiner's "final" rejection of 30 March 2005 was improper. See MPEP §706.07(a)-(c). Nonetheless, we now argue why the combination of Muftic and Kanoh cannot render claims 1-8, 18, 20-24, 26-29, 36-38, 42-53, 67-70, 70-79 and 83 obvious under 35 U.S.C. §103.

When applying 35 U.S.C. §103, the following tenets of patent law must be adhered to:

- a) The claimed invention must be considered as a whole;
- b) The references must be considered as a whole and must suggest the desirability and thus the obviousness of making the combination;
- c) The references must be viewed without the benefit of impermissible hindsight vision afforded by the claimed invention; and
- d) Reasonable expectation of success is the standard with which obviousness is determined. MPEP §2141.01, *Hodosh v. Block Drug Co., Inc.*, 786 F.2d 1136, 1134 n.5, 229 U.S.P.Q. 182, 187 n.5 (Fed. Cir. 1986).

In addition, it is respectfully noted that to substantiate a *prima facie* case of obviousness the initial burden rests with the Examiner who must fulfil three requirements. **First**, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the references or to combine reference teachings. **Second**, there must be a reasonable expectation of success. **Finally**, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on Applicant's disclosure. (emphasis and formatting added) MPEP § 2143, *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

Kanoh discloses an automatic renting apparatus that performs on-line trade utilizing a credit card. See Kanoh, col. 4, lines 33-48 and Abstract. The apparatus includes a card reader and input means for reading credit card information and for entering the identification of an article to be rented. A communication means is used for communicating with a remote host computer. Kanoh col. 2, lines 15-19.

But, Kanoh clearly does not teach or suggest transmitting a receipt of any kind, as required by independent claims 1, 43 (as described in more detail below).

Muftic discloses smart token technology, in particular combining information from multiple domains on a common smart card to allow or prevent access to electronic resources (e.g., network resources or software) using password encryption and digital signature keys. Muftic col. 2, lines 20-23, col. 3, line 38-col. 4, line 5. In Muftic, a smart card is detected by a reader and activated by a user. Muftic col. 10, lines 63-67. The user selects and opens a domain from a list of domains. Muftic, col. 12, lines 62-64. Electronic transactions such as banking or purchases with electronic cash or credit are initiated and recorded in a domain of the smart card. Muftic col. 4, lines 17-34; 51-63; col. 13, lines 27-31.

But, Muftic does not teach or suggest a system or method for dispensing optical storage media from a kiosk. Muftic also does not teach or suggest transmitting a receipt to a user specified address, as required by independent claims 1, 43 (and, again, as discussed in more detail below).

The combination of Kanoh and Muftic thus fails to teach or suggest all of the limitations of the independent claims (claims 1 and 43) of the '631 Application as required by 35 U.S.C. §103 (see above requirements for *prima facie* obviousness rejection). The combination also fails to render any of claims 1-8, 18, 20-24, 26-29, 36-38, 42-53, 67-70, 70-79 and 83 obvious, as now discussed.

In particular, these claims of the '631 Application recite a system and method for dispensing optical storage media from a kiosk upon confirmation of billing information, which is performed at a remote system server and transmitted to the kiosk. The billing information includes a user specified address. An electronic receipt is transmitted to the user specified address, for example an e-mail address. Claim 1 specifically recites a system for dispensing optical storage media from a kiosk remote from a system server and communicatively connected to the system server, including:

- (A) a first central processing unit in said kiosk;
- (B) a first set of instructions for directing said first central processing unit to:
 - (1) receive a request for an optical storage media and billing information from a user,
 - (2) transmit said billing information to said system server for confirmation,
 - (3) receive said confirmation of billing from said system server, and
 - (4) dispense said requested optical storage media to said user;
- (C) a first media readable by said first central processing unit for storing said first set of instructions;
- (D) a second central processing unit in said system server;

- (E) a second set of instructions for directing said second central processing unit to:
 - (1) receive said billing information from said first central processing unit,
 - (2) perform a credit verification routine on a credit account in said billing information,
 - (3) transmit said confirmation to said first central processing unit responsive to a verification of credit account, and
 - (4) transmit an electronic receipt for said transaction to a user specified address in said billing information; and
- (F) a second media readable by said second central processing unit for storing said second set of instructions.

As recognized by the Examiner, Kanoh does not teach or suggest all elements of claim 1: in particular the Examiner recognizes that Kanoh does not disclose element (e)(4) of claim 1 – electronically transmitting a receipt to a user specified address. The Examiner thereby alleges in the final action: "Muftic discloses a system for secure electronic transactions including transmitting an electronic receipt of the transactions, which would have been obvious to combine with Kanoh et al." Final Office Action, page 2, ¶ 2.

Respectfully, we disagree. Muftic does not teach or suggest transmitting a receipt to a user specified address in billing information, as required by claim 1. Moreover, Muftic fails to disclose transmission of any receipt (for example, specifying goods actually transacted) that extends beyond a computer-to-smart card transaction, such as to include communication to a user-specified address. Rather, Muftic discloses *storing* a receipt for a transaction *on a smart card*, or more particularly, *in a domain of a smart card*: "An electronic receipt, electronically signed by the seller is returned, optionally, and is stored in the receipt area of the domain." Muftic, col. 14, lines 46-48.

A domain contained on a smartcard is clearly different from an address as defined in the '631 Application. According to the specification, the user-specified address may be defined as an e-mail address. See, e.g., page 3, lines 13-22 of the specification. There is no mention or suggestion whatsoever within Muftic of receipt-transmission to a user specified address as recited in claim 1, and certainly not an e-mail address. Muftic therefore also fails to teach or suggest element (e)(4) of claim 1. Of course, Kanoh also does not disclose this element (e)(4) of claim 1.

Furthermore, there is no motivation to combine Kanoh with Muftic. Muftic, at least, is not analogous art to the inventions of claims 1-8, 18, 20-24, 26-29, 36-38, 42-53, 67-70,

70-79 and 83. We note that "the mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination." MPEP, §2143.01, discussing *In re Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990). Further, in making the assessment of differences, section 103 specifically requires consideration of the claimed invention "as a whole." Inventions typically are new combinations of existing principles or features. *Envtl. Designs, Ltd. v. Union Oil Co.*, 713 F.2d 693, 698 (Fed. Cir. 1983) (noting that "virtually all [inventions] are combinations of old elements."). The "as a whole" instruction in title 35 prevents evaluation of the invention part by part. Without this important requirement, an obviousness assessment might break an invention into its component parts (A + B + C), then find a prior art reference containing A, another containing B, and another containing C, and on that basis alone declare the invention obvious. This form of hindsight reasoning, using the invention as a roadmap to find its prior art components, would discount the value of combining various existing features or principles in a new way to achieve a new result - often the very definition of invention. *Ruiz v. A.B. Chance Co.*, 69 USPQ2d 1686 (CA FC 2004).

The Examiner asserts that it would have been obvious to provide the device of Kanoh with means to electronically transmit a receipt, and that "The motivation of such a change would have allowed the customer a complete record of the transaction." Final Office Action, pp. 2-3. However, no teaching or suggestion to encourage the combination is found in Kanoh or Muftic. In fact, as now explained, this prior art teaches away from such a combination.

If a proposed modification renders the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984). Combining Kanoh and Muftic would render Kanoh unsatisfactory for its intended purpose, and vice versa. According to Kanoh, "it is an object of [Kanoh's] invention to provide an automatic commercial article renting system which can appropriately handle the case when a rented article is not returned even after a set returning period." Kanoh, col. 2, lines 5-8. In order to achieve this objective, Kanoh discloses that the user agrees in advance to rental conditions, which include the automatic deduction of sale charges from an account of the credit card if the rented item is not returned on time. See Kanoh, col. 2, lines 33-43, also FIG. 8. The user does not have to be present for the later and separate sale of the cassette to be processed: "when a rented article is not returned by the end of the renting period, it is regarded as being sold to the member who rented the article and the sale charge is

automatically deducted from the account of the credit card. Advantageously, management does not need to press users return rented articles on time." Kanoh, col. 2, lines 33-38.

If Kanoh were modified to include the means to transmit a receipt specified in Muftic (which still would not include all elements of claim 1), then charges could no longer be automatically deducted from a renter's credit card, because Muftic's means to electronically transmit a receipt require a smart card (e.g., the smart card initiates the transaction resulting in the receipt, and it is the sole recipient of the receipt). Muftic recites: "The ability to link a smart token to its owner in ways that no one but the owner can use it, is an important characteristic of the system of the invention." Muftic, col. 19, lines 4-6. There is no provision within Muftic for electronic charges made by a system without the user being present to initiate and authorize the charges. There is likewise no provision for pre-authorization of charges. Without such provisions, automatic deduction of sale charges could not occur, since the renter would have to be present for such sale charges to be made. Users must then return rented articles, on time or otherwise, thus eliminating Kanoh's touted advantage (see quotation from Kanoh, col. 2, lines 33-38, above). This also renders Kanoh's invention unsatisfactory for its intended purpose, failing a key requirement of 35 U.S.C. §103.

Likewise, if Kanoh in view of Muftic were modified such that sale charges could be made without requiring the user's presence, then Muftic's important characteristic noted above would be undermined. For example, in order to deduct a sales charge without the user being present, another entity, e.g., sale processing means of the renting apparatus, would have to make the charge.

- We must also reject the Examiner's allegation that it would be obvious to one skilled in the art to combine and otherwise modify Kanoh and Muftic to render these claims. We have specifically asked in prior responses, and continue to ask now, for evidence supporting the Examiner's allegation, per to MPEP §2144. Such evidence has never been presented to date.

Thus, Kanoh in view of Muftic not only fails to teach each and every limitation of claim 1, the combination also lacks motivation, and the combination is not reasonably combined or modified as required by 35 U.S.C. §103. Kanoh and Muftic cannot, therefore, render claim 1 obvious under 35 U.S.C. §103. Reconsideration is respectfully requested.

Claims 2-8, 27-29, 42, 44-53, 60-62, 69, 70 and 83 depend from claim 1 and benefit from like arguments. However, these claims have additional features that patentably distinguish over Kanoh in view of Muftic.

Claim 2: For example, claim 2 recites instructions for directing the first CPU to read data from an optical storage media stored in the kiosk and to display the data on a display in the kiosk. Kanoh does not teach, suggest or disclose either reading or displaying data from an optical storage media. Instead, Kanoh discloses reading from an item adhered to a videocassette: "identification information such as bar code ***adhered on the video cassette*** is read by the reader 61." Col. 7, lines 51-52, emphasis added. Muftic likewise fails to teach or suggest these limitations, particularly because Muftic does not teach or suggest (or even mention) optical storage media.

Claim 3: Claim 3 includes the limitation of instructions for directing the first CPU to:

- (a) receive a returned optical media;
- (b) identify the returned optical media, and
- (c) transmit identity of the returned optical media to the system server.

Claim 3 depends from claim 1. We have shown that Kanoh in view of Muftic do not teach or suggest a system for dispensing optical storage media from a kiosk including all elements (A) – (F) of claim 1. Kanoh in view of Muftic therefore cannot teach said system also including elements (a) – (c) of claim 3; nor do these patents disclose CPU instructions performing these steps.

Claim 4: Claim 4 requires the further limitation of an optical reading device. Neither Kanoh nor Muftic, alone or in combination, teach an optical reading device in the context of claim 1.

Claim 5: Claim 5 recites instructions for directing the first CPU to read the returned optical media, and detect an error in data stored on said returned media. Muftic does not teach or suggest such instructions. Kanoh also does not teach or suggest such instructions; it instead describes a "returning rejection means" for rejecting return of a rented article if the article has already been sold to a user, due to late return. See Kanoh, col. 2, lines 48-51. Kanoh's returning rejection means is markedly different from reading returned optical media to detect an error in data ***stored on*** the returned media (for example, an error such as "damaged rental stock, scratched or warped disks". See, e.g., page 9, line 18 of the specification.

Claim 6: Claim 6 requires instructions to generate a recording responsive to the detection of errors on the media. Again, Kanoh discloses determining when a cassette is erroneously returned, and "A voice message, such as "please remove the video cassette tape", when a user attempts to erroneously return the cassette. See Kanoh, col. 6, lines 13-16. Kanoh does not, however, teach or suggest detecting errors *of* the cassette or generating a recording responsive to the detection of such errors. Muftic is also completely silent as to detecting errors on media, notably because Muftic does not deal with receipt or dispensing of such media.

Claim 7: Claim 7 recites instructions to receive a signal from a user that the media contains an error. There is simply no such teaching or suggestion within Kanoh or Muftic of the claim 7 features.

Claim 8: Claim 8 depends from claim 7, and requires that the signal (from the user) be read from a flag on a casing that is returned with the media. Kanoh does not teach or suggest receiving any error signal from a user, read from a flag or otherwise. Instead, Kanoh discloses "information, such as bar code *adhered on the video cassette* is read by the reader 61." Kanoh col. 7, lines 51-52, emphasis added. But, this information is not provided by a user, is not read from a flag and is not on a casing. Muftic is also completely silent as to such features.

Claim 18: Claim 18 requires instructions for directing the second CPU to open a transaction responsive to receiving billing information from the first CPU. The combination of Kanoh and Muftic does not teach or suggest this limitation in the context of claim 1. For example, claim 1 recites the limitation of a user specified address (e.g., an e-mail address) in billing information. The combination of Kanoh and Muftic does not teach or suggest billing information including a user specified address.

Claim 20: Claim 20 recites instructions for directing the second CPU to maintain an inventory database of optical storage media in the kiosk. Again, the combined Kanoh and Muftic teach no such limitation in the context of claim 1.

Claim 21: Claim 21 recites instructions for directing the second CPU to provide access to the inventory database to a third central processing unit. For example, the '631 Application discloses an Internet-connected system which "allows consumers to search for kiosks and to query a specific kiosk for available content". See page 9, lines 30-31 of the

'631 Application. There is no such teaching or suggestion within Muftic and Kanoh of such features. Kanoh makes no mention of a third processing unit having access to inventory information. Muftic does not teach an inventory database or a third processing unit with access to such a database.

Claim 22: Claim 22 requires the user specified address to be an e-mail address. As noted with respect to claim 1 and as recognized by the Examiner, Kanoh does not teach or suggest transmitting an electronic receipt. Also noted with respect to claim 1, Muftic is also completely silent as to transmitting a receipt to a user specified address, and particular to a email address specified by the user as payor.

Claim 23: Claim 23 recites instructions for directing the second CPU to maintain a user profile of users. Kanoh merely discloses: "A storage means is used to store... renting information, including member information." Kanoh, col. 2, lines 22-25. Kanoh does not, however, suggest or disclose a profile of users. Muftic is also absolutely silent as to this limitation.

Claim 24: Claim 24 requires instructions for directing the second CPU to record information of each optical storage media that a user requests. This limitation is not taught or suggested by Kanoh or Muftic in the context of claim 1.

Claim 26: Kanoh in view of Muftic fails to teach or suggest the following elements of claim 26:

- (a) an internet service provider to convey messages;
- (b) a third processor operable to direct the transmission of messages, or
- (c) instructions to insert or remove data from a message.

Kanoh and Muftic are for example completely silent as to an Internet service provider, a third processor operable to direct message transmissions, and instructions to modify a message.

Claims 27-29: Kanoh in view of Muftic fails to teach or suggest the limitations of claims 27-29, in the context of claim 1. That is, the combination of Kanoh and Muftic fails at least to teach or suggest a system for dispensing optical storage media from a kiosk, remote from a system server and communicatively connected to said system server, comprising a second set of instructions directing the second CPU to transmit an electronic receipt to a user specified address in billing information, and including:

- (a) a media identification reader in a kiosk that is operable to detect an identification marking on optical storage media (claim 27);
- (b) instructions for directing a first CPU to read an identification marking on optical storage media using a media identification reader, and identify the optical storage media (claim 28), or
- (c) instructions for directing the first CPU to maintain a record of a position of an optical recording storage media in the kiosk based upon identification of the optical storage media (claim 29).

Claim 36: Claim 36 requires a receipt including a link to a file maintained on an Internet server. Again, as recognized by the Examiner, Kanoh does not teach or suggest a receipt. Kanoh is also completely silent as to any link to a file maintained on an Internet server. Muftic is also entirely silent as to such a link.

Claims 37-38: Claim 37 depends from claim 36, and further requires that the file be a home page. Claim 38 depends from claim 37, and contains the additional limitation of the home page including information about promotions offered by the system. Neither Kanoh nor Muftic make any mention of a home page (claim 37), so the combined patents cannot teach or suggest a home page including information about promotions (claim 38).

Claim 42: Claim 42 depends from claim 41, which is *not* rejected under 35 U.S.C. §103 over Kanoh in view of Muftic. Applicants agree that claim 41 is nonobvious over Kanoh in view of Muftic, and submit that if base claim 41 is nonobvious, then so is claim 42. However, claim 42 includes additional elements not taught or suggested by the combined patents in the context of claim 1, including:

- (a) a retrieval slot configured to receive a casing;
- (b) instructions for directing the first CPU to:
 - (1) read said identifier from said casing, and
 - (2) determine whether said optical storage media in said casing belongs to said system.

Claim 43: Independent claim 43 recites a method for dispensing optical storage media from a kiosk, remote from a system server and communicatively connected to said system server, including:

- (A) receiving a request for an optical storage media and billing information from a user at said kiosk;

- (B) transmitting said billing information to said system server for confirmation;
- (C) receiving said billing information in said system server;
- (D) performing a credit verification routine on a credit account in said billing information with said system server;
- (E) transmitting said confirmation from said system server to said kiosk responsive to a verification of credit account;
- (F) transmitting an electronic receipt for said transaction to a user specified address received in said billing information;
- (G) receiving said confirmation of billing from said system server in said kiosk; and
- (H) dispensing said requested optical storage media to said user.

As noted, Kanoh is completely silent as to any type of receipt, and Muftic (non-analogous art) does not teach or suggest transmitting a receipt *to a user specified address*, disclosing only storing a receipt in a domain of a smart card. See Muftic, col. 20, lines 13-16; col. 14, lines 46-48. Further, there is no motivation to combine Kanoh and Muftic, at least for the reason detailed above with respect to claim 1. Claim 43 is thus patentable over Kanoh in view of Muftic, as there is no motivation to combine, and also because the Kanoh and Muftic, alone or in combination, do not teach or suggest each and every limitation of claim 43. Kanoh and Muftic thus fail to establish a *prima facie* case of obviousness under 35 U.S.C. § 103. Reconsideration is requested.

Claims 44-53, 67-79 and 83 depend from claim 43 and benefit from like argument. However, these claim have additional features that patentably distinguish over Kanoh in view of Muftic, as now described.

Claim 44: Claim 44 recites the additional limitation of reading data from optical storage media stored in a kiosk, and displaying the data on a display in the kiosk. Kanoh does not teach, suggest or disclose either reading or displaying data from an optical storage media (see above argument in support of claim 2). Kanoh recites only the display of a member code, operating instructions and prompts, and non-rentable or non-returnable status. Kanoh col. 6, line 63-col. 7, line 2, col. 7, lines 31-33 and col. 8, lines 33-40. Muftic is completely void of any teaching regarding optical storage media.

Claim 45. The method of claim 45 includes the limitations:

- (a) receiving a returned optical media from a user;
- (b) identifying the returned optical media, and

(c) transmitting identity of the returned optical media to the system server.

The Kanoh and Muftic fail to teach or suggest these instructions in the context of claim 43.

Claim 46: Claim 46 requires reading data from returned optical media in the kiosk, and detecting an error in data stored on the returned optical media. For example, "Upon return, a disk may be evaluated for damage by a media diagnostic system." '631 Application page 9, lines 16-17. Muftic does not teach or suggest these limitations. As noted, Kanoh also fails to read data from optical media to detect errors. See also claim 5 argument above.

Claim 47: Claim 47 depends from claim 46 and additionally requires generating a recording indicating the optical storage media contains an error, responsive to detection of the error. Kanoh provides only for determining when a video cassette is erroneously returned. See Kanoh col. 6, lines 13-16. Kanoh further discloses: "A voice message, such as "please remove the video cassette tape", when a user attempts to erroneously return a cassette. Kanoh, col. 8, lines 4-42. Accordingly, Kanoh does not teach or suggest detecting errors *on* the media, and cannot thus generate a recording responsive to the detection of such errors. Muftic does not teach or suggest recordings; certainly not recordings responsive to errors in optical media.

Claim 48: Neither Kanoh nor Muftic, alone or in combination, teach, suggest or even mention receiving a signal from a user that a returned optical media contains an error, as recited in claim 48.

Claim 49: Claim 49 depends from claim 48, and further requires reading the signal (from the user) from a flag on a casing that is returned with the returned optical media. As noted with respect to claim 8, above, Kanoh and Muftic do not teach or suggest reading a signal from such a flag on a casing. See Kanoh, col. 4, line 66-col. 5, line 1. Muftic does not deal with casings (or flags).

Claim 50: Kanoh and Muftic, taken alone or in combination, do not teach or suggest the limitations of claims 50 in the context of claim 43.

Claim 51: Kanoh and Muftic also fail to teach or suggest the limitations of claims 51 in the context of claim 43.

Claim 52: Kanoh and Muftic do not teach or suggest the limitations of claims 52 in the context of claim 43.

Claim 53: Kanoh and Muftic fail to teach or suggest the limitations of claims 53 in the context of claim 43.

Claims 67-68: Claims 67 recites, among other elements, transmitting messages to and from an Internet service provider. Kanoh and Muftic do not teach, suggest or mention an Internet service provider. Claim 68 recites the further limitation of removing data from the messages from the Internet service provider. This limitation is also absent from both Kanoh and Muftic.

Claim 69: Kanoh in view of Muftic fails to teach or suggest the limitations of claim 69 in the context of claim 43.

Claim 70: Kanoh in view of Muftic also fails to teach or suggest the limitations of claim 70 in the context of claim 43.

Claims 71-72: We believe the Examiner wrongly identified these claims in the §103 rejections over Kanoh in view of Muftic, since the Examiner concedes that Kanoh in view of Muftic does not disclose concentric markings on CDs (see the first full paragraph on page 3 of the final Office Action). We agree that Kanoh in view of Muftic does not teach or suggest concentric markings on CDs, as recited in claims 71-72.

Claims 73 and 74: Neither Kanoh or Muftic teach the limitations of claims 73 and 74 in the context of claim 43. Claim 73 requires:

- (a) transmitting a request for data to the system server from a kiosk;
- (b) receiving the data in said kiosk from the system server; and
- (c) writing the data to optical storage media.

Kanoh and Muftic do not teach element c, above; they are also silent as to writing to optical storage media. Indeed, the Examiner recognizes that Kanoh in view of Muftic does not teach an optical writing system. See page 5, ¶ 1 of the Final Office Action. Further, neither Kanoh or Muftic teaches or suggests (a) transmitting a request for, or (b) receiving data that is then written to optical storage media. Claim 74 depends from claim 73, and benefits from like argument. Further, the limitations of claim 74, in the context of claims 43 and 73, are not taught or suggested by Kanoh or Muftic, taken alone or in combination.

Claims 75-79: Kanoh in view of Muftic does not teach or suggest a receipt, and therefore cannot teach or suggest a receipt including advertisements (claim 75). Kanoh and Muftic also fail to teach the advertisements being promotions for optical media available at a kiosk (claim 76), or receipts including a link to a file on an Internet server (claim 77), including a file that is a home page (claims 78-79). Indeed, neither Kanoh nor Muftic mentions advertisements, Internet server files or home pages.

Claim 83: Claim 83 depends from claim 82, which is not included in the Examiner's rejections of Kanoh in view of Muftic. But, if claim 82 is viewed as nonobvious in view of Kanoh in view of Muftic, then claim 83 must also be nonobvious. Nonetheless, Kanoh in view of Muftic does not teach or suggest the elements of claim 83 in the context of claim 43.

Argument (B).

Kanoh in view of Muftic, and further in view of Brindze does not teach or suggest each and every claim limitation within claims 30-32, 71 and 72, as required by 35 U.S.C. §103(a). These claims do not stand or fall together.

Claims 30-32 and claims 71 and 72 depend respectively from independent claims 1 and 43, argued herein above, and benefit from like argument in that Kanoh and Muftic fail to teach each element of these claims. Brindze does not remedy this failure; for example Brindze too fails to teach, suggest or even mention a receipt transmitted to a user specified address. Claims 1 and 43 are thus nonobvious over Kanoh, Muftic and Brindze, alone or in combination. The courts have ruled that if an independent claim is nonobvious under 35 U.S.C. §103, then any claim depending therefrom is nonobvious. In re Fine, 837 F.2d 1071.5 USPQ2d 1596 (Fed. Cir. 1988). Claims 30-32, 71 and 72 are thus patentable over Kanoh in view of Muftic and Brindze. However, these claims have additional, patentably distinguishable features.

Claim 30: Claim 30 recites identification markings on the optical storage media, including a concentric marking around a center of the optical storage media. The Examiner recognizes that Kanoh and Muftic do not teach concentric rings. See page 3 of the final Office Action. But Brindze too does not teach the concentric rings of the '631 Application. For example, the concentric rings may be created "by reducing a standard barcode to a single point width cross-section. This produces a single straight line of dots that are spaced to the original barcode. The line is then pivoted around a prescribed center radius to produce a

group of concentric circles spaced to the original barcode." Page 5, lines 10-12 of the Specification, emphasis added. Brindze does not teach or suggest such concentric circles, but rather discloses and depicts linear markings placed concentrically about a media center. See Brindze, FIG. 1A; FIG. 13, and FIG. 15.

Furthermore, Brindze's linear markings cannot be read in the manner of the concentric rings of the '631 Application. For example, the concentric rings may be read by scanning linearly across a media. "A standard ***line scanner*** will view ***a simple straight cross-section*** as it passes through the center of the ring. This gives the scanner two attempts at reading the entire code on the coded object; once on either side of the center as the reader passes over the center of the code." Page 5, lines 12-17 of the Specification, emphasis added; FIG. 7. Brindze does not teach or suggest linear scanning of a media, nor does Brindze provide two opportunities to read a code in one linear pass.

Claim 31: Claim 31 depends from claim 30 and benefits from like argument. Namely, claim 31 is nonobvious over Kanoh in view of Muftic and Brindze; these patents do not teach claim 31 in the context of claim 30.

Claim 32: Claim 32 also depends from claim 30, and is accordingly nonobvious. Kanoh in view of Muftic and Brindze does not teach or suggest the elements of claim 32.

Claim 71: Similarly, claim 71 teaches a method of reading concentric markings around a center of an optical storage media. Again, neither Brindze, Kanoh or Muftic teach or reasonably suggest a method of reading concentric markings around a center of an optical storage media, as described in the '631 Application.

Claim 72: Claim 72 depends from claim 71, and benefits from like argument, namely, that *prima facie* obviousness has not been established; the combination of Brindze, Kanoh and Muftic does not teach features of this claim.

Argument (C).

Kanoh in view of Muftic, and further in view of Reid does not teach or suggest each and every claim limitation within claims 9-12, as required by 35 U.S.C. §103(a). These claims do not stand or fall together.

Claims 9-12 depend from claim 1, and thus benefit from like argument – for one, that Kanoh in view of Muftic fails to teach or suggest each and every limitation of the claims, for example, failing to disclose or suggest an electronic receipt transmitted to a user specified

address. Reid does not provide this missing limitation; thus, a case of prima facie obviousness is not established over claims 9-12.

Furthermore, claim 9 requires a carousel for storing optical storage media. Reid does not teach a carousel for optical storage media, disclosing instead a drum or magazine: "The magazine for carrying the articles, that is to say **the video cassettes**, is preferably constructed as a cylindrical drum with a plurality of radially extending compartments for the individual cassettes." Reid, col. 2, lines 55-58, emphasis added. As is known in the art, video cassettes are magnetic storage media, not optical storage media. The limitations of claim 9 are thus not taught or suggested by Kanoh in view of Muftic and Reid, especially not in the context of claim 1.

Claim 10 depends from claim 9, and benefits from like argument. Further, Kanoh in view of Muftic and Reid also fails to teach or suggest the limitations of claim 10 in the context of claim 1.

Claim 11 also depends from claim 1 and benefits from like argument. Kanoh in view of Muftic and further in view of Reid also fails to teach or suggest the limitations of claim 11 in the context of claim 1.

Finally, claim 12 also depends from claim 9 and benefits from like argument. Furthermore, the combined patents do not teach or suggest the limitations of claim 12 in the context of claim 1.

Argument (D).

Kanoh in view of Muftic, and further in view of Takahashi does not teach or suggest each and every claim limitation within claims 13, 14, 15, 54, 55 and 56, as required by 35 U.S.C. §103(a). These claims do not stand or fall together.

Claims 13-15 depend from claim 1, while claims 54-56 depend from claim 43. These claims thus benefit from like arguments above, and are thus nonobvious over Kanoh in view of Muftic. For example, Takahashi is also completely silent as to any type of "receipt" (discussed above) and, thus, a prima facie case of obviousness over claims 13-15 or 54-56 is not sustained.

But there is also no motivation to combine the non-analogous art of Takahashi and Muftic with Kanoh. As previously noted, there is no motivation to combine Kanoh and Muftic, as doing so would render these patents ineffective for their intended purpose. There is no motivation to combine Takahashi. For example, Kanoh, Muftic and Takahashi do not suggest their combination, as there is no logical motivation to combine Takahashi's disk

cleaner with Kanoh's "preferred embodiment of an automatic renting system and apparatus for **video cassettes**". Kanoh, col. 4, lines 16-18, emphasis added. Also, there would be no motivation for a purveyor of an automatic renting system (Kanoh) to provide a manually operated cleaner (see Takahashi col. 7, lines 4-19) of any kind. To do so would require added expense to the purveyor, and it is unlikely that a population utilizing an automated rental apparatus would have the time or patience to run an item through Takahashi's manually operated cleaner, when it could more easily be dropped into a return opening.

The non-analogous Takahashi is also in a different class (class 451, "abrading", primary subclass 290, "disk or wheel abrader", secondary subclasses 285 "rotary work holder" and 287 "Planar surface abrading"). One interested in automatic rental and return of cassettes (i.e., Kanoh), would not logically look to the art of "abrading", as abrasion could cause damage to cassettes. Neither would one interested in smart token technology (Muftic) look to "abrading", for obvious reasons of potential damage.

Finally, even if the combination were attempted, there is no likelihood of success. As is known in the art, disk cleaners are not successfully used to polish video cassettes. For example, Takahashi shows a circular "turn table 20 for placing a disk...comprising a substrate 21 and a rubber mat 23. The disk (CD) 1 is placed on the turn table 20 with its recorded side (the side to be scoured) 1A up and its unrecorded side (the labelled side) 1B down." Takahashi, FIG. 2 and col. 4, lines 4-8. Takahashi specifically notes that the turn table is for placing a disk; but a rectangular video cassette of Kanoh would clearly not fit upon a circular turn table. Further, Takahashi's disk cleaner would not close if a video cassette were placed upon turn table 20. Takahashi's upper housing is locked to the lower housing by a "hook 15a [of the upper housing]...inserted downward into a locking hole 11a formed at a front end portion of the upper supporting plate [of the lower housing] 11C to catch thereon, thereby effecting locking. See Takahashi col. 6, lines 30-37; FIG. 4. Without closing, the disk cleaner will not work: "The disk cleaner 10 of this embodiment is not actuated even if the starting switch 16 is pushed, in case the safety switch 75 is not ON, i.e., when the upper housing 12 is not properly closed." Takahashi col. 6, lines 54-57.

Absent motivation and reasonable expectation of success, the Examiner's 35 U.S.C. §103(a) rejection over Kanoh in view of Muftic and Takahashi fails, as the patents themselves do not suggest the desirability and thus the obviousness of making the combination, nor is there reasonable expectation of success. See tenants (b) and (d) of patent law under Argument (A), above.

Respectfully, with this and other combinations, it appears that the Examiner is attempting to piecemeal-combine some of the current claims; this is not permitted under 35 U.S.C. §103. See, *Ruiz v. A.B. Chance Co.*, 69 USPQ2d 1686 (CA FC 2004). There is no suggestion to combine within the references themselves, nor is there motivation, as the Examiner's suggested combinations would, for example, hinder the intended function of Kanoh's device. "It is impermissible to use the claimed invention as an instruction manual or 'template' to piece together the teachings of the prior art so that the claimed invention is rendered obvious"; *Interconnect Planning Corp. v. Feil*, 774 F.2d 1132,1141, 227 USPQ 543, 550 (Fed. Cir. 1985); *W.L. Gore & Assocs. v. Garlock, Inc.*, 721 F.2d 1540, 1553, 220 USPQ 303, 312-13 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984) ("To imbue one of ordinary skill in the art with knowledge of the invention in suit, when no prior art reference or references of record convey or suggest that knowledge, is to fall victim to the insidious effect of a hindsight syndrome wherein that which only the inventor taught is used against its teacher").

As shown, Kanoh in view of Muftic and further in view of Takahashi does not render claims 1 or 43 (and thus claims 13 and 54-56) prima facie obvious. Additional patentable distinctions of claims 13 and 54-56 include:

Claim 13: Claim 13 recites a media polishing mechanism associated with the kiosk. Kanoh and Muftic are silent as to such a mechanism, as noted by the Examiner. As supported by the specification, the media polishing mechanism of the '631 Application "...has payment elements common to the invention system...[and] may be Internet connected, or linked to the system kiosk" (col. 4, lines 31-34). Takahashi does not teach or suggest a disc polisher with payment elements or Internet connectivity, nor does Takahashi indicate desirability or manner of making such modifications. The combination of Kanoh, Muftic and Takahashi; therefore, fails to teach a media polishing mechanism with the capabilities and connectivity described in the '631 Application.

Claim 14: Claim 14 depends from claim 13 and benefits from like argument. Furthermore, Claim 14 requires instructions for directing the first CPU to read optical storage media. As noted with respect to claim 2, Kanoh does not teach, suggest or disclose reading optical storage media. Instead, Kanoh discloses: "identification information such as bar code adhered on the video cassette is read by the reader 61." Kanoh col. 7, lines 51-52. Muftic likewise fails to teach or suggest these limitations, particularly because Muftic does not teach

or suggest (or even mention) optical storage media. Takahashi too does not teach or suggest reading from optical media, at all.

Claim 14 also requires instructions for directing the first CPU to perform an error checking routine on optical storage media and generate an indicia of an error on the optical storage media responsive to error detection. Kanoh and Muftic do not perform error checking or generate indicia of errors. See above arguments in support of claim 5. Takahashi also fails to perform an error checking routine or generate indicia of errors detected.

Claim 15: Claim 15 depends from claim 14, thus benefiting from like argument. Additionally, neither Kanoh, Muftic or Takahashi display a warning to insert an optical media device into a media polishing mechanism.

Claim 54: Claim 54 likewise recites the method of claim 43, including providing a media polishing mechanism associated with said kiosk. As noted, Takahashi does not teach or suggest a media polishing mechanism with the capabilities or connectivity described in the '631 Application.

Claim 55: Claim 55 recites reading the media, performing an error checking routine, and generating indicia of an error. As noted above with respect to claims 5 and 46, neither Kanoh or Muftic teaches or suggests reading media, or checking for errors. Takahashi is also silent as to reading media, and additionally fails to provide for error checking or generating indicia of an error as described in the '631 application (e.g., at page 9, lines 16-17, quoted herein above). Further, checking for scratches or damage is done manually in Takahashi, before the disc is ever placed in the cleaner. See Takahashi col. 7, lines 4-19.

Claim 56: Claim 56 depends from claim 55, and thus benefits from like argument. Furthermore, neither Kanoh, Muftic or Takahashi, alone or in combination, display a warning to insert an optical media device into a polishing mechanism, as recited in claim 56.

Argument (E).

Kanoh in view of Muftic, and further in view of Dedrick does not teach or suggest each and every claim limitation within claims 25, 34, 35, 66, 75 and 76, as required by 35 U.S.C. §103(a). These claims do not stand or fall together.

Claims 25, 34 and 35 depend from claim 1, and benefit from like argument. Claims 66, 75 and 76 depend from claim 43, and benefit from like argument. For example, Kanoh in view of Muftic does not teach all the features of the claimed invention, nor is there motivation to combine. In addition, the Examiner recognizes that Kanoh in view of Muftic does not teach sending advertisements according to a user profile. We agree that such limitation is absent from Kanoh and Muftic, and neither discloses a user profile or advertisements. Adding Dedrick does not remedy this failure. Dedrick does not include monetary exchange with end users, but rather, charging advertisers who utilize the apparatus for providing advertisements: "The apparatus then charges a fee to the advertiser, based on the comparison by the matching process." Dedrick, col. 2, lines 8-9. Kanoh in view of Muftic, and further in view of Dedrick, thus fails to establish a prima facie case of obviousness over claims 25, 34, 35, 66, 75 and 76, at least because they do not teach or suggest every limitation of base claims 1 and 43.

Claims 25, 34, 35, 66, 75 and 76 also include additional features not taught or suggested by Kanoh in view of Muftic, and further in view of Dedrick.

Claim 25: Claim 25 depends from claim 24, which was rejected over Kanoh in view of Muftic. Appellants have shown that Kanoh in view of Muftic does not establish a prima facie case of obviousness over claim 24. Claim 25 benefits from like argument, for example, Dedrick also fails to teach or suggest recording information of an optical media (claim 24); thus, neither claim 24 or claim 25 is obvious in light of Kanoh, Muftic and Dedrick. In addition, claim 25 requires instructions for directing a second CPU to read a user profile, determine which type of optical storage media a user prefers, and transmit advertisements for optical storage media of types the user prefers to a kiosk. Dedrick does not teach or suggest determining a type of optical storage media preferred by a user, or for that matter, determining any type of product preferred by a user. Dedrick instead discloses a "content adapter 25 customizes electronic content to the individual end user based on the user profile data contained in personal profile database 27." Dedrick col. 7, lines 66-col. 8, line 1. User profile data is made up of "consumer variables...such as marital status, color preferences, favourite sizes and shapes, preferred learning modes, employer, job title, mailing address, phone number, personal and business areas of interest, the willingness to participate in a survey, along with various lifestyle information. This information will be referred to as user profile data." Dedrick, col. 3, lines 42-48. Dedrick does not teach or suggest determining a preferred product (e.g., type of optical media) and transmitting advertisements

accordingly. Instead, Dedrick discloses altering electronic information based on the above consumer variables: "For example, a unit of electronic information may be received with a particular field having the default color of green. If personal profile database 27 contains sufficient data regarding color preferences for the individual end user, then content adapter 25 changes the color of that particular field from green to whatever color preference is contained in personal profile database 27 for that individual end user." Dedrick col. 8, lines 5-12.

Claim 34: Claim 34 requires a receipt including advertisements. Kanoh in view of Muftic and Dedrick simply do not teach such a limitation in the context of claim 1.

Claim 35: Claim 35 depends from claim 34, and further requires the advertisements to be promotions for optical media available at a kiosk. The combined patents do not teach or suggest this limitation in the context of claim 1.

Claim 66: Claim 66 depends from claim 65, which requires recording information of each optical storage media that a user requests in a user profile. As noted above with respect to claim 25, Kanoh in view of Muftic and Dedrick does not teach this limitation. Claim 66 benefits from like argument. Further, claim 66 requires determining which type of optical storage media a user prefers, and transmitting advertisements for optical storage media of types the user prefers. As noted with respect to claim 25, Kanoh in view of Muftic and Dedrick also fails to teach or suggest these elements.

Claims 75 and 76: Kanoh in view of Muftic and Dedrick do not teach or suggest a receipt including advertisements (claim 75) or a receipt with advertisements that are promotions for optical media (claim 76).

Argument (F).

Kanoh in view of Muftic, and further in view of Iida does not teach or suggest each and every claim limitation within claims 33, 39-41, 73, 74 and 80-82, as required by 35 U.S.C. §103(a). These claims do not stand or fall together.

As the Examiner notes, Kanoh in view of Muftic does not teach an optical writing system (claims 33, 73 and 74) or a casing with an address and packaging for mailing (claims 39-41 and 80-82). As oft noted herein above, neither does this combination teach or suggest transmitting an electronic receipt to a user specified address. Iida does not mention receipts at all. Thus, Kanoh in view of Muftic, and further in view of Iida fails under 35 U.S.C.

§103(a), at least because the combination does not teach or suggest each and every limitation of the claims.

Furthermore, the Examiner recognizes that the Declaration filed on January 4, 2005 to antedate U.S. Patent No. 6,289,322 ("Kitchen"), specifically shows conception of the invention (in June of 1997). This is prior to the effective date of Iida (October 16, 1997). The Declaration was deemed sufficient to overcome Kitchen; we submit that it is also sufficient to antedate Iida. We noted this in our Response filed November 6, 2003; however, the Examiner has not responded to this issue.

Even if Iida were not antedated by the Declaration filed January 4, 2005, there is no motivation to combine Iida with Kanoh or Muftic. Iida describes a system wherein a user can customize and purchase a CD or MD, selecting songs to be included, a jacket, title and the like. See Iida col. 10, line 43-col. 11, line 33; col. 13, lines 26-45. Kanoh concerns pre-recorded rentable articles, not creation of custom articles for purchase only. Muftic concerns with smart card technology, not creating custom recordings. There is no suggestion within Kanoh, Iida or Muftic to combine disclosures.

In addition, claims 33, 39-41, 73, 74 and 80-82 include additional elements not taught or suggested by Kanoh in view of Muftic, and further in view of Iida. For example:

Claim 33: The limitations of claim 33 are not disclosed by these patents in the context of claim 1.

Claim 39: Claim 39 requires a casing dispenser that dispenses a casing for optical media to a user. Contrary to the Examiner's assertion, Iida does not teach a casing dispenser or dispensing a casing. In fact, casing is not mentioned at all in Iida. Iida describes the selection of a custom *jacket*, which may be obtained at a store-side *printer*. Iida, col. 2, lines 1-19. A printer is not a casing dispenser. Also, it is recognized in the art of recordable media that a jacket is normally a lightweight media contained *inside* a more durable casing (e.g., a "case" for a recorded disk, as described on page 6, lines 6-8 of the specification).

Claims 40 and 41: Claims 40 and 41 depend from claim 39, and thus benefit from like argument. Additional limitations such as a casing with a storage compartment for a disk (claim 40) and a casing including an identifier (claim 41) are also absent from Kanoh, Muftic and Iida.

Claim 73: Kanoh in view of Muftic and Iida does not teach or suggest the limitations of claim 73 in the context of claim 43.

Claim 74: Claim 74 depends from claim 73. Kanoh in view of Muftic and Iida does not teach or suggest the limitations of claim 74 in the context of claims 73 and 43.

Claims 80-82: Claims 80-82 require dispensing a casing (claim 80), stamping a casing with pre-metered postage and printing a postal address on the casing (claim 81), and including an identifier on the casing (claim 82). As noted with respect to claims 39, 40 and 41, above, Kanoh in view of Muftic and Iida does not teach or suggest such embodiments.

(8) Appendix.

Appellants enclose a copy of the claims involved in this appeal as an appendix hereto.

(9) Conclusions.

Accordingly, Applicants respectfully submit that the claims 1-83 patentably distinguish over the art of record. Other than the \$600 total fee for filing a notice of appeal and this appeal brief, no fees are believed due in connection with the '631 Application. However, the Commissioner is hereby authorized to charge any fees which may be deemed necessary in this case to Deposit Account Number 12-0600.

Respectfully submitted,

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APPENDIX TO APPEAL BRIEF

CLAIMS

What is claimed is:

1. (Previously Presented) A system for dispensing optical storage media from a kiosk, remote from a system server and communicatively connected to said system server, said system comprising:
 - a first central processing unit in said kiosk;
 - a first set of instructions for directing said first central processing unit to:
 - receive a request for an optical storage media and billing information from a user,
 - transmit said billing information to said system server for confirmation,
 - receive said confirmation of billing from said system server, and
 - dispense said requested optical storage media to said user;
 - a first media readable by said first central processing unit for storing said first set of instructions;
 - a second central processing unit in said system server;
 - a second set of instructions for directing said second central processing unit to:
 - receive said billing information from said first central processing unit,
 - perform a credit verification routine on a credit account in said billing information,
 - transmit said confirmation to said first central processing unit responsive to a verification of credit account, and
 - transmit an electronic receipt for said transaction to a user specified address in said billing information; and
 - a second media readable by said second central processing unit for storing said second set of instructions.
2. (Previously Presented) The system of claim 1 wherein said first set of instructions further comprise:
 - instructions for directing said first central processing unit to:
 - read data from one of said optical storage media stored in said kiosk; and
 - display said data on a display in said kiosk.

3. (Previously Presented) The system of claim 1 wherein said first set of instructions further comprise:

instructions for directing said first central processing unit to:

receive a returned optical media from a user,
identify said returned optical media, and
transmit identity of said returned optical media to said system server.

4. (Original) The system of claim 3 further comprising:
an optical reading device.

5. (Previously Presented) The system of claim 4 wherein said first set of instructions further comprise:

instructions for directing said first central processing unit to:

read said returned optical media, and
detect an error in data stored on said returned media.

6. (Original) The system of claim 5 wherein said first set of instructions further comprise:

generating a recording indicating said optical storage media contains an error
responsive to detection of said error.

7. (Original) The system of claim 3 wherein said first set of instructions further comprise:

instructions for directing said first processing unit to:

receive a signal from said user that said returned optical media contains an
error.

8. (Original) The system of claim 7 wherein said signal is read from a flag on a casing that is returned with said returned optical media.

9. (Original) The system of claim 1 further comprising:
a plurality of optical storage media each storing data for a particular program;
a storage carousel in said kiosk for storing said plurality of optical storage media; and
wherein said first instructions further comprise instructions for maintaining an
inventory of said plurality of optical storage media stored in said storage
carousel.

10. (Previously Presented) The system of claim 9 wherein said first instructions further comprise:

instructions for directing said first central processing unit to:
removing a one of said optical storage media from said inventory responsive to
dispensing said one of said plurality of optical storage media.

11. (Previously Presented) The system of claim 9 wherein said first instructions further comprise:

instructions for directing said first central processing unit to:
add a one of said plurality of said optical storage media to said inventory response to
receiving said one of said plurality of optical storage media from said user.

12. (Previously Presented) The system of claim 9 wherein said first instructions further comprise:

transmitting an update of said inventory to said second central processing unit
responsive to said first central processing unit updating said inventory.

13. (Original) The system of claim 1 further comprising:

a media polishing mechanism associated with said kiosk.

14. (Previously Presented) The system of claim 13 further comprising.

an optical reading mechanism in said kiosk; and
wherein said first set of instructions further comprise instructions for directing said
first central processing unit to:
read said optical storage media,
perform an error checking routine on said optical storage media, and
generate an indicia of an error on said optical storage media responsive to
detecting an error in said optical storage media.

15. (Previously Presented) The system of claim 14 wherein said first set of instructions further comprise:

instructions directing said first central processing unit to:
display a warning to insert said optical media device into said media polishing
mechanism.

16. (Previously Presented) The system of claim 14 wherein said first set of instructions further comprise:

instructions for directing said first central processing unit to insert said optical storage media in said media polishing mechanism responsive to said indicia of said error.

17. (Original) The system of claim 16 wherein said first instructions further comprise: perform said error checking routine responsive to said optical storage media being polished.

18. (Previously Presented) The system of claim 1 wherein said second set of instructions further comprise:

instructions for directing said second central processing unit to:

open a transaction responsive to receiving said billing information from said first processing unit.

19. (Previously Presented) The system of claim 18 wherein said second set of instructions further comprise:

instructions for directing said second central processing unit to:

receive a message indicating said optical storage media has been returned to said kiosk, and

close said transaction responsive to receiving said message.

20. (Previously Presented) The system of claim 1 wherein said second set of instructions further comprise:

instructions for directing said second central processing unit to:

maintain an inventory database of optical storage media in said kiosk.

21. (Previously Presented) The system of claim 20 wherein said second set of instructions further comprise:

instructions for directing said second central processing unit to:

provide access to said inventory database to a third central processing unit.

22. (Original) The system of claim 1 wherein user specified address is an e-mail address.

23. (Previously Presented) The system of claim 1 wherein said second set of instructions further comprise:

instructions for directing said second central processing unit to maintain a user profile of users.

24. (Previously Presented) The system of claim 23, wherein said instructions for directing said second set of instructions further comprises:
instructions for directing said second central processing unit to record information of each said optical storage media that said user requests.
25. (Previously Presented) The system of claim 24 wherein said second set of instructions further comprise:
instructions for directing said second central processing unit to:
read said user profile,
determine which type of optical storage media said user prefers, and
transmit advertisements for optical storage media of types said users prefer to said kiosk.
26. (Previously Presented) The system of claim 1 further comprising:
an internet service provider;
a third central processing unit in said internet service provider;
a third set of instructions for directing said third central processing unit to transmit messages between said first central processing unit and said second -central processing unit;
a third storage media readable by said third central processing unit for storing said third set of instructions;
wherein said first set of instructions include instructions for directing said first central processing unit to insert data for said second central processing unit in messages, transmit said messages to said third central processing unit , receive messages from said third central processing unit, and read data from said received messages; and
wherein said second set of instructions include instructions for directing said second central processing unit to insert data for said first central processing unit into said messages, transmit said message to said third central processing unit, to receive said messages from said third central processing unit, and remove data from said messages.
27. (Original) The system of claim 1 further comprising:
an media identification reader in said kiosk that is operable to detect an identification marking on said optical storage media.

28. (Previously Presented) The system of claim 27 wherein said first set of instructions include:

instructions for directing said first central processing unit to:

read said identification marking on said optical storage media using said
media identification reader, and
identify said optical storage media.

29. (Previously Presented) The system of claim 28 wherein said first set of instructions further comprise:

instructions for directing said first central processing unit to:

maintain a record of a position of said optical recording storage media in said
kiosk based upon said identification of said optical storage media.

30. (Previously Presented) The system of claim 27 wherein said identification marking on said optical storage media includes a concentric marking around a center of said optical storage media.

31. (Original) The system of claim 30 wherein said concentric marking is a bar code.

32. (Original) The system of claim 31 wherein said media identification reader is a bar code scanner.

33. (Previously Presented) The system of claim 1 further comprising:
an optical writing system that writes optical data to said optical storage media;
wherein said first set of instructions include instructions for directing said first central
processing unit to:

transmit a request data to store on said optical storage media to said second
central processing unit,

receive said data from said second central processing unit, and
write said data to said optical storage media; and

wherein said second set of instructions include instructions for directing said
second central processing unit to:

receive said request for said data,

retrieve said data, and

transmit said data to said first central processing unit.

34. (Original) The system of claim 1 wherein said receipt includes advertisements.

35. (Previously Presented) The system of claim 34, wherein said advertisements are promotions for optical media available at said kiosk.
36. (Original) The system of claim 1 wherein said receipt includes a link to a file maintained on an Internet server.
37. (Original) The system of claim 36 wherein said file is a home page.
38. (Original) The system of claim 37 wherein said home page includes information about promotions offered by said system.
39. (Original) The system of claim 1 further comprising:
a casing dispenser that dispensing a casing for said optical media to said user.
40. (Original) The system of claim 39 wherein said casing comprises:
a storage compartment for said disk;
a pre-metered stamp to allow said casing to be mailed; and
a preprinted address.
41. (Original) The system of claim 39 wherein said casing further includes:
an identifier.
42. (Previously Presented) The system of claim 41 wherein said kiosk further comprises:
a retrieval slot configured to receive a casing;
a reader proximate said retrieval slot; and
wherein said first set of instructions include instructions for directing said first
central processing unit to:
read said identifier from said casing,
determine whether said optical storage media in said casing belongs to said
system, and
opening said retrieval slot responsive to a determination that said optical
storage media belongs to said system.
43. (Previously Presented) A method for dispensing optical storage media from a kiosk,
remote from a system server and communicatively connected to said system server, said
method comprising the steps of:
receiving a request for an optical storage media and billing information from a user at
said kiosk;

transmitting said billing information to said system server for confirmation;
receiving said billing information in said system server;
performing a credit verification routine on a credit account in said billing information
with said system server;
transmitting said confirmation from said system server to said kiosk responsive to a
verification of credit account;
transmitting an electronic receipt for said transaction to a user specified address
received in said billing information;
receiving said confirmation of billing from said system server in said kiosk; and
dispensing said requested optical storage media to said user.

44. (Original) The method of claim 43 further comprising the steps of:
reading data from said optical storage media stored in said kiosk; and
displaying said data on a display in said kiosk.
45. (Original) The method of claim 43 further comprising the steps of:
receiving a returned optical media from a user in said kiosk;
identifying said returned optical media; and
transmitting an identity of said returned optical media to said system server.
46. (Original) The method of claim 45 further comprising the steps of:
reading data from said returned optical media in said kiosk; and
detecting an error in data stored on said returned optical media.
47. (Original) The method of claim 46 further comprising the step of:
generating a recording indicating said optical storage media contains an error
responsive to detection of said error.
48. (Original) The method of claim 45 further comprising the steps of:
receiving a signal from said user that said returned optical media contains an error.
49. (Original) The method of claim 48 further comprising the step of:
reading said signal from a flag on a casing that is returned with said returned optical
media.
50. (Original) The method of claim 43 further comprising the step of:

storing a plurality of optical storage media in said kiosk wherein each of said plurality of optical storage media stores data for a particular program; and
maintaining an inventory of said plurality of optical storage media stored in kiosk.

51. (Original) The method of claim 50 further comprising the step of:
removing a one of said optical storage media from said inventory responsive to
dispensing said one of said plurality of optical storage media.
52. (Original) The method of claim 50 further comprising the steps of:
adding a one of said plurality of said optical storage media to said inventory response
to receiving said one of said plurality of optical storage media in said kiosk
from said user.
53. (Original) The method of claim 50 further comprising the step of:
transmitting an update of said inventory to said system server responsive to said kiosk
updating said inventory.
54. (Original) The system of claim 43 further comprising the step of:
providing a media polishing mechanism associated with said kiosk.
55. (Previously Presented) The system of claim 54 further comprising the step of:
reading said optical storage media;
performing an error checking routine on said optical storage media; and
generating an indicia of an error on said optical storage media responsive to detecting
an error in said optical storage media.
56. (Previously Presented) The method of claim 55 further comprising the step of:
displaying a warning to insert said optical media device into said media polishing
mechanism.
57. (Previously Presented) The method of claim 55 further comprising the step of:
inserting said optical storage media in said media polishing mechanism responsive to
said indicia of said error.
58. (Original) The method of claim 57 further comprising the step of:
performing said error checking routine responsive to said optical storage media being
polished.

59. (Original) The method of claim 43 further comprising the steps of:
opening a transaction record in said system server responsive to receiving said billing
information.
60. (Previously Presented) The method of claim 59 further comprising the steps of:
transmitting a message from said kiosk to said system server responsive to receiving
said optical storage media in said kiosk wherein said message indicates said
optical storage media has been returned to said kiosk;
receiving a message indicating said optical storage media has been returned to said
kiosk, and
closing said transaction record responsive to receiving said message.
61. (Original) The method of claim 43 further comprising the step of:
maintaining an inventory database of optical storage media in said kiosk at said
system server.
62. (Original) The method of claim 61 further comprising the step of:
providing access to said inventory database to a user via an Internet connection.
63. (Original) The method of claim 43 wherein user specified address is an e-mail
address.
64. (Original) The method of claim 43 further comprising the step of:
maintaining a user profile of said user in said system server.
65. (Previously Presented) The method of claim 64, further comprising the step of:
recording information of each said optical storage media that said user requests in said
user profile.
66. (Original) The method of claim 66 further comprising the steps of:
reading said user profile;
determining which type of optical storage media said user prefers;
transmitting advertisements for optical storage media of types said users prefer to said
kiosk; and
displaying said advertisements at said kiosk.
67. (Previously Presented) The method of claim 43 further comprising the steps of:
generating messages containing information for said system server in said kiosk;

- transmitting said messages to Internet service provider;
transmitting said messages from said Internet service provider to said system server;
receiving said messages in said system server; and
reading data from said received messages in said system server.
68. (Original) The method of claim 43 further comprising the steps of:
transmitting messages containing data for said kiosk from said system server to an
Internet service provider;
receiving said messages in said Internet service provider;
transmitting said messages from said Internet service provider to said kiosk; and
removing data from said messages in said kiosk.
69. (Previously Presented) The method of claim 43 further comprising the step of:
reading an identification marking on said optical storage media using a media
identification reader in said kiosk; and
identifying said optical storage media.
70. (Previously Presented) The method of claim 69 further comprising the step of:
maintaining a record of a position of said optical storage media in said kiosk based
upon said identification of said optical storage media.
71. (Previously Presented) The method of claim 70 wherein said step of reading said
identification marking on said optical storage media includes:
reading a concentric marking around a center of said optical storage media.
72. (Original) The method of claim 71 wherein step of reading said concentric marking
includes:
reading a bar code printed concentrically around said optical storage media with a bar
code scanner in said kiosk.
73. (Original) The method of claim 43 further comprising the step of:
transmitting a request for data to said system server to said kiosk;
receiving said data in said kiosk from said system server; and
writing said data to said optical storage media.
74. (Original) The method of claim 73 further comprising the steps of:
receiving said request for said data from said kiosk in said system server;

retrieving said data; and
transmitting said data from said system server to said kiosk.

75. (Original) The method of claim 43 wherein said receipt includes advertisements.
76. (Previously Presented) The method of claim 75, wherein said advertisements are promotions for optical media available at said kiosk.
77. (Original) The method of claim 43 wherein said receipt includes a link to a file maintained on an Internet server.
78. (Original) The method of claim 77 wherein said file is a home page.
79. (Original) The method of claim 78 wherein said home page includes information about promotions offered by said system.
80. (Original) The method of claim 43 further comprising the step of:
dispensing a casing for said optical media to said user.
81. (Original) The method of claim 80 further comprising the step of:
stamping said casing with pre-metered postage to allow said casing to be mailed; and
printing a postal address on said casing.
82. (Original) The method of claim 80 further comprising the step of:
including an identifier on said casing.
83. (Original) The method of claim 82 further comprising the steps of:
reading said identifier from said casing,
determining whether said optical storage media in said casing belongs to said system,
and
opening a retrieval slot configured to receive said casing responsive to a
determination that said optical storage media belongs to said system.